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Annual Report

OF THE GOVERNOR OF
THE VIRGIN ISLANDS



FISCAL YEAR ENDED JUNE 30, 1943



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Annual Report

OF THE GOVERNOR OF THE VIRGIN ISLANDS

TO THE SECRETARY OF THE INTERIOR

FOR THE FISCAL YEAR

ENDED JUNE 30

1943



STACK

**United States
Department of the Interior**

HAROLD L. ICKES, *Secretary*

**The Virgin Islands
of the United States**

CHARLES HARWOOD, *Governor*

**For sale by the Superintendent of Documents,
Washington, D. C. ★ Price 5 cents**

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GOVERNMENT OF THE VIRGIN ISLANDS

Charlotte Amalie, St. Thomas

August 26, 1943

**THE HONORABLE THE SECRETARY OF THE INTERIOR,
DEPARTMENT OF THE INTERIOR,
WASHINGTON, D. C.**

SIR:

Pursuant to Section 20 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, I have the honor to submit the following Annual Report of the transactions of the Government of the Virgin Islands for the fiscal year ended June 30, 1943.

Respectfully submitted,

**CHARLES HARWOOD
Governor of the Virgin Islands**

Annual Report of the Governor of the Virgin Islands

CHARLES HARWOOD, Governor

CIVILIAN DEFENSE

THE WAR has been the dominating factor in Virgin Islands' economy and its effects have been evidenced in all phases of community life. Although the danger of attack by air or surface raider became more remote following the occupation of North Africa by the United Nations, the program of civilian defense, initiated with success in the preceding fiscal year was continued with vigor. Fire defenses were improved, raid drills and black-outs carried out, home guards trained intensively and the American Red Cross extended its facilities and activities. During the past year the armed forces played a large part in the life of the communities of the Virgin Islands and relations between the military organizations and the civilian population were excellent.

ECONOMIC SITUATION

As the Virgin Islands were early to feel the economic uplift of the war, so they were among the first American communities to experience the inevitable retrogression. During the year under review, defense construction operations gave employment on the island of St. Thomas to every employable male worker, and the shortage of native labor to meet the abnormal demands resulted in heavy importation of labor from neighboring British Islands. With the reduction of defense construction as the year drew to a close a great many of the imported aliens were repatriated. However, unemployment undoubtedly will be the most serious consideration in the Virgin Islands in the immediate future. Projects for water storage in St. Croix, for the extension of water supply facilities in St. Thomas, and the construction of

highways in both islands, commenced in earlier periods, must be prosecuted vigorously to relieve unemployment, as well as to provide basic improvements in the communities. The projects can be expanded without detriment to the larger interests of the national war effort, because critical material is not involved. Projects for construction of new hospitals, extension of sewerage systems, sanitation facilities and many other projects of like nature, which are absolutely essential to the life and general welfare of the people of the islands must, of necessity, be deferred.

The attention of the administration has been largely directed to the connected problems of food and shipping. Early in the year, the Department of the Interior, through its special defense appropriation, established civilian food reserves, to insure that basic food commodities would be available to the people of the Islands, in spite of disruption of commercial trade and shipping facilities. This was made possible through an operating agreement entered into with the Department of Agriculture whereby the Food Distribution Administration serves as agent of the Department of the Interior for the procurement, transportation and distribution of the basic foods. These supply agencies now operate successfully, with the result that a sufficient supply of foodstuffs is available.

On the island of St. Croix, the Work Projects Administration developed an extensive project of vegetable production for the public institutions. On the island of St. Thomas, municipal appropriations were used to provide a direct labor subsidy to encourage an increase in the production of vegetables and other locally grown products. The problems of price adjustment and rationing were met by the Office of Price Administration, which extended its activities to the islands.

The abattoir on the island of St. Croix, constructed in a prior period from Federal funds, furnished dressed meat to the new cold storage market in St. Thomas, likewise constructed from a Federal appropriation. The profitable operation of the abattoir on a commercial basis appears to be doubtful because of its size and the unavailability of sufficient livestock. The cold storage market at St. Thomas, on the other hand, gives hope of profitable operation, and will be an increasingly important factor in the life of the community, by providing needed refrigerating facilities.

The Federal Works Agency which late in the preceding fiscal year acquired a 1-year leasehold on the docks of The West Indian Co., Ltd., at St. Thomas, and acquired title in fee simple to its electric light and power station, operated these public utilities until March 1943. After the end of one year's operation it returned all of the properties to the former owner, The West Indian Co., Ltd.

Financial prospects, which were lessened materially in St. Thomas by the loss of taxes from The West Indian Co., Ltd., improved remarkably during the year, mainly by reason of the increase in income taxes on general business, as well as the increased rates and lower exemptions.

FISCAL

The municipality of St. Thomas and St. John not only operated without a Federal deficit appropriation for the second successive year, but by June 30, 1943, the treasury of the municipality collected a surplus in revenue of approximately \$80,000, over budgeted obligations. The municipality of St. Croix operated with a Federal deficit appropriation of \$114,800, which was supplemented by a deficiency appropriation of \$45,000.

THE MUNICIPALITY OF ST. JOHN AND ST. THOMAS

The actual revenues of the municipality of St. Thomas and St. John amounted to \$693,801.87, including \$23,050 transferred from the operating fund of the St. Thomas Virgin Islands lottery (for construction of the vocational school and for the induction and maintenance of a food production program), and \$6,301.86 transferred from surplus funds of the preceding fiscal year for necessary municipal projects. The comparable figure for the fiscal year ended June 30, 1942 was \$599,116.94. Thus, total income in the calendar year 1943 exceeded that of the preceding year by 15.8 percent.

Income-tax collections were \$465,447.76, as compared with \$316,067.67 in the preceding year, an increase of 47.28 percent. In 1941, income-tax collections were \$138,552.45, while in 1936 the revenue from this source was \$18,237.08. Real property taxes yielded \$54,462.23, as compared with \$50,556.24 in the preceding year. Gasoline taxes and automobile license fees yielded \$14,398.68, as compared with \$21,435.70 in 1942, a decrease of 32.83 percent. Trade taxes yielded \$34,725.52 as compared with \$46,938.18 in 1942, a decrease of 26.23 percent. Customs revenues yielded \$28,200 as compared with \$59,200 in 1942, a decrease of 52.36 percent. Pilotage fees were \$10,597.52 as compared with \$42,047.39 in the preceding year, a decrease of 74.80 percent.

From the foregoing comparison of municipal revenue figures it will be seen that although there was a decided reduction of pilotage fees, customs revenues, trade taxes, gasoline taxes, and automobile license fees, reflecting the effects of the war, the unprecedently large income-tax collections more than stabilized the situation.

The budget for the municipality of St. Thomas and St. John car-

ried total appropriations of \$609,254. This was the second successive year that the municipality of St. Thomas and St. John operated without a Federal deficit appropriation. On June 30, 1943 the municipal treasury showed a revenue surplus of approximately \$80,000.

MUNICIPALITY OF ST. CROIX

The revenues of the municipality of St. Croix amounted to \$194,440.63, compared with \$196,485.72 in the preceding year, a decrease of 1.04 percent. The income-tax collections were \$46,977.22 as compared with \$30,394.50 in 1942, an advance of 54.55 percent. Real property taxes yielded \$59,558.34 as compared with \$50,205.98 in 1942, an increase of 18.63 percent. Export duty yielded \$3,202.08 as compared with \$18,039.81 in 1942, a decrease of 82.25 percent, due to the repeal of the \$6 per ton export duty on sugar.

The budget for the municipality of St. Croix carried total appropriations of \$353,800; of this, local revenues were estimated to supply \$194,000, and the Federal deficit appropriation \$114,800, in addition to a further Federal deficiency appropriation of \$45,000 which, however, was not made available until July 1943.

On June 30, 1943, the municipality still owed its public funds \$53,903.02, representing amounts borrowed in prior years for meeting municipal operating deficits.

THE FEDERAL APPROPRIATION

The Federal appropriations for the Government of the Virgin Islands, fiscal year 1943, were:

Central administration	\$147,980.00
Agricultural experiment station	37,640.00
Deficit, municipality of St. Croix	114,800.00
Total	300,420.00

The comparable 1942 appropriations were:

Central administration	\$151,075.00
Agricultural experiment station	45,650.00
Deficit, municipality of St. Croix	115,000.00
Total	311,725.00

On June 30, 1943, the following supplemental appropriations for the Government of the Virgin Islands were pending in a deficiency bill before the Congress of the United States:

Central administration	\$19,250.00
Agricultural experiment station	2,500.00
Deficit, municipality of St. Croix	45,000.00
Total	66,750.00

The supplemental appropriations of \$19,250 for the central administration and \$2,500 for the agricultural experiment station were needed to cover increased operating costs, due wholly to the application of the Federal overtime law to Federal employees of the Interior Department, beginning December 1, 1942, and to the application of the 25 percent territorial service differential to such employees of the Interior Department in the Virgin Islands as were included in the Federal field classification schedule, effective February 1, 1942. Efforts were made, and deficiency estimates were submitted, for the purpose of covering the local schedule employees of the Interior Department in the Virgin Islands within the territorial service differential, but those estimates were not approved.

FEDERAL WORKS AGENCY PROJECTS

During the year the Federal Works Agency made an allotment of \$293,000 to the municipality of St. Thomas and St. John, for the construction of non-Federal water facilities on the island of St. Thomas, including six catchment areas and eight storage tanks, together with necessary appurtenant work. An allotment of \$7,032.50 was made to the municipality of St. Thomas and St. John for maintenance and operation of isolation hospital facilities, and an allotment of \$467.50 for the purchase of special equipment for them.

COLLECTIONS FOR DEPOSIT IN THE U. S. TREASURY

During the year the Farm Security Administration relieved the government of the Virgin Islands of the administration of the homesteads and the responsibility of collecting amounts due from homesteaders under land and house purchase contracts. A total of \$474,414.17 was collected by the government of the Virgin Islands and deposited in the U. S. Treasury, of which \$472,967.29 represented proceeds from the sale of commodities handled by the Food Distribution Administration and Civilian Food Reserve of the Department of the Interior; the balance representing interest on homestead loans; interest on unpaid principal on low-cost houses; reimbursements for cultivation aids and services; sale of government property and livestock; and rent of public buildings and grounds.

PUBLIC WORKS DEPARTMENT

The Department of Public Works in each municipality labored under extreme difficulty during the past year, because war emergency conditions restricted the availability of materials and equipment, and

the shipment thereof to the islands. Nevertheless, their activities progressed satisfactorily.

On the island of St. John, construction of a home for delinquent boys was substantially completed. A building in St. Thomas purchased for a vocational school was reconstructed. It is expected that both buildings will be occupied soon. An old building contiguous to the municipal hospital in St. Thomas has been renovated for use by the Department of Health as an isolation hospital for venereal cases. Heavy rains made it necessary to keep highways under constant repair. Scrap collection campaigns were carried on. Construction of eight reservoirs and six catchment areas to increase the much needed municipal water supply was begun, representing the most important undertaking of the year. This project was made possible by the non-Federal grant to the municipality of St. Thomas in the sum of \$293,000 by the Federal Works Agency referred to hereinbefore.

The Department of Public Works in St. Croix chiefly occupied itself in maintaining existing properties. Eighty-four municipal buildings, nearly all old, have to be kept in constant repair with an appropriation of \$9,000. Few of the streets in St. Croix are surfaced, and of 140 miles of highway, more than 100 miles are dirt roads, requiring constant attention to keep them in condition.

HEALTH AND SANITATION

The Commissioner of Health reported the end of an infectious catarrhal jaundice epidemic which followed the mass immunization against yellow fever of practically the entire population of St. Thomas. The control of venereal disease was advanced due to the strenuous efforts of the medical staff, and the institution of isolation hospital facilities, under a grant of funds from the Federal Works Agency. Sanitary inspection of mosquito breeding places was onerous, because of the number of water containers which the abundant rainfall kept in constant use.

In St. Croix the general health was good. Clinics were conducted in infant welfare, prenatal care and venereal disease control. There were two admissions to the leper asylum during the year, making a total of 56 lepers now hospitalized. The King's Hill Home for indigents maintained an average of 127 inmates. This institution was rebuilt in 1941 but new equipment was never provided and is now urgently needed.

The work of the municipal physicians was done under the hardship of antiquated and deteriorated hospital facilities and the ever-increasing difficulty of procuring equipment and supplies due to the war emergency.

THE VIRGIN ISLANDS COOPERATIVES

The management of the Virgin Islands Cooperatives reported a bad year, due not so much to lack of a market incident to wartime scarcity, as to lack of production. The members of the cooperatives failed to produce goods for sale in reasonable quantities. Total sales dropped from \$32,798.66 in 1942 to \$26,123.53 in 1943. It is likely that the major cause of the decline in production was the general employment of other members of the family at good wages, which relieved cooperative workers of the need of adding to the family income.

THE AGRICULTURAL EXPERIMENT STATIONS

The agricultural experiment stations took on additional importance and responsibility on account of the need of stimulating food production in both islands. In St. Croix the major crop of sugarcane showed great improvement over 1942. Sugar benefit payments were paid for the first time to growers in St. Croix. The station made experiments with an improved cane variety from Barbados, of which several thousand cuttings were available for distribution. The livestock industry also prospered. The abattoir built by Federal funds was operated by the Livestock Association, which exported dressed meat to St. Thomas and Puerto Rico. A food production program, undertaken by the Work Projects Administration, was sponsored by the station. The distribution of seeds and slips continued to be made to individuals, Farm Security Administration and the WPA. Extension work was directed mainly to diversifying food crops, and improving the breed of livestock and pastures.

The agricultural experiment station in St. Thomas increased its activities in the production of food. The municipality instituted a food production program by subsidizing farm labor and organized an agricultural bureau with an assistant to aid the director of the station in its operation. The Agricultural Bureau purchased a considerable number of cattle and pigs, some for breeding purposes, others for distribution to local farmers. A poultry development revolving fund was set up, the object being to raise and improve the type and breed of chickens in the island. Agricultural fairs were held, and a large and varied number of products were displayed.

The vocational school which was under supervision of the Agricultural Experiment Station was discontinued after June 30, 1942, with the closing of the NYA resident project for boys.

PUBLIC WELFARE

The Superintendent of Public Welfare of the municipality of St. Thomas and St. John reported a shift of the major activity of his

department from Federal projects to undertakings initiated and supported by the municipality. This is an encouraging sign of the prosperity and social consciousness of the community. Federal projects still in operation included low-cost housing; food and clothing distribution; and sponsorship of WPA sewing projects. Municipal activities included monthly pensions; payment of rentals and emergency relief for the poor; visiting nurse service; workmen's compensation; wages and hours administration; and public playgrounds. In addition, the department was responsible for a program dealing with unemployment. It administered relief activities of the community chest and a milk fund, these being supported by voluntary contributions. The municipal council raised the fund for aid to the poor from \$6,340 the previous year (distributed among 396 persons) to \$10,380. The food stamp plan was replaced by direct commodity distribution under the Food Distribution Administration. The Workmen's Compensation Commission handled 30 cases of injury, awarding \$1,392.70 in compensation, with some claims pending. Under the enforcement of the wages and hours act, reports were received from 116 employers, covering 1,430 persons in private industry and from municipal agencies, covering 445 additional workers. Other Federal agencies and the military authorities furnished similar information, enabling this department to compile a comprehensive report on employment for the entire island. The Division of Public Playgrounds promoted organized field sports, managed playgrounds and directed other outdoor activities. In a building donated by the Virgin Islands distillers, a recreation center was established and is being used enthusiastically by both adults and youths. Altogether, a highly developed and comprehensive program of public welfare came into operation. The application of the Federal Social Security Program to the islands is greatly needed and may soon be realized.

The Department of Public Welfare of St. Croix was hampered in its operations by the inadequacy of funds. The municipal appropriation was \$1,640, of which \$1,140 was for salaries. The distribution of food, given directly by the Federal Government instead of through the stamp plan, was satisfactory.

EDUCATION

Education in St. Thomas during the past year was advanced by the realization of previously formulated plans, in particular by: (a) the appointment of an assistant superintendent of education, and six supervising teachers; and (b) by putting into effect an ordinance raising the standard of teachers' training from the equivalent of an eighth-grade education, to graduation from high school, with the

addition of a further year's preparation before being granted a permanent certificate. At present, 76 percent of all teachers in service are holders of high-school diplomas or certificates. On the other hand, the system suffered through lack of equipment, because of difficulties in obtaining supplies. A building, purchased a year ago for vocational work, was not completed and classes were held in temporary quarters. The demands of war service caused considerable difficulty in maintaining the full corps of instructors. Moreover, the increased wartime activity in the city afforded added temptations to truancy.

The Department of Education in St. Croix also suffered from the impact of war activities by changes in personnel and difficulties of obtaining equipment. Certain gains, however, can be reported. The curriculum of the high school was expanded to include a commercial and a teacher-training course. Craft work in the grammar school progressed. A building adjacent to the high school was added to the plant. Pupils showed a definite improvement in achievement tests. The training of teachers in both islands was promoted by summer schools and scholarships at the University of Puerto Rico, made possible by a generous gift of the Carnegie Corporation.

POLICE AND PRISON DEPARTMENTS

The relations between military and civil populations were highly satisfactory, and the cooperation between military authorities and the local police in maintaining order has been excellent. The Acting Director of Police of St. Thomas and St. John reported 1,148 arrests, as against 1,079 in the preceding year. Most of the offenses were for larceny, burglary, and prostitution, only seven cases calling for prison sentences of one year or more. Juvenile delinquency continued to be a serious problem, one source being truancy. The school for delinquent boys in St. John should relieve the situation within the next year.

The Acting Director of Police in St. Croix reported 250 cases filed in the police court with 226 convictions, of which 206 were for disturbance of the peace. During the year, 53 prisoners were incarcerated for both islands, in the penitentiary located at Christiansted. On June 30, 1943, there were 20 inmates, all male, 11 from St. Croix and 9 from St. Thomas.

THE PUBLIC LIBRARIES

The establishment of the St. Thomas Public Library in permanent quarters in the municipal building, continued to reflect an increased

attendance and circulation. Recataloguing was completed after 2 years of work by the regular staff. The juvenile department was active throughout the year, especially during the summer vacation, when a story hour, with occasional drama, was conducted daily. During the year, the supervising librarian spent 3 months on leave of absence working in the library of the University of Puerto Rico.

The public library at Christiansted, St. Croix, was extensively repaired and redecorated. Owing to its partial closing and to delays in the receipt of books, attendance and circulation declined during the year.

LEGISLATIVE AUTHORITIES

The annual meeting of the legislative assembly required by the Organic Act, was held from September 30 to October 9. An amended parole law was the only piece of legislation enacted. Resolutions were passed in favor of the appointment of a permanent delegate to represent the Virgin Islands in Washington, and for the return of internal revenue taxes collected in the United States on their exported products. It is clear that divergent economies and interests of St. Thomas and St. Croix make the obligatory meeting of the legislative assembly an anachronism, which costs both municipalities heavily in the time of their council members, traveling expenses, and the funds required for their compensation while in session. There are too few matters of common concern which call for joint action to justify this legislative program once a year. General elections for members of both municipal councils were held in November and members took their seats the following January. The membership and organization remained, with only slight changes from the previous term. Important legislation passed in the council of St. Thomas and St. John included the ordinance setting up a program for food production, already referred to, ordinances relating to prostitution and controlling venereal disease, and an ordinance to establish a new system of certificates and scale of salaries for teachers. The most important legislation passed by the council of St. Croix was a trades and occupation law, and an ordinance to control the export of food-stuffs and other essential commodities from St. Croix.

ST. JOHN

The administrator for St. John, who is also the municipal physician, reported an excellent condition of health, especially as regards infant mortality, owing to prenatal and postnatal care. Clinics were held at Cruz Bay and at Coral Bay. The appointment of an active outdoor clerk to the administrator was amply justified by a quickening

of social and civic life throughout the island, seen in the organization of athletics, the holding of celebrations on patriotic occasions, and the raising of funds for community purposes. St. John participated in the food program of the municipality of St. Thomas and St. John by production of vegetables and eggs for St. Thomas market. Plans are underway for acquiring abandoned estates for homesteads. The extraordinary natural beauty of the island will undoubtedly make it a desirable place of residence and a tourist resort of considerable appeal, with the return of peace.

CONCLUSION

There has been improvement in hospitalization and sanitation conditions in the islands. All medical institutions in the islands continue in dire need of rehabilitation and modernization. The primitive and unsanitary system of nightsoil disposal continues to be a most serious menace to the health of the civilian population, as well as to the armed forces. The open gutters in the towns are shockingly offensive. Unfortunately the correction of most of these conditions must be deferred, but representations have been made to the Public Health Service and the Federal Works Agency for projects necessary eventually to correct these evils.

The extension to the Virgin Islands of Federal aid for vocational education (under the George-Dean and the Smith-Hughes Acts) should be urged, and it is recommended that efforts continue to be made to have such a beneficial training program established here.

There is a continuing need for the return to the Virgin Islands of the internal revenue taxes which are presently collected in the United States on products imported into the States originating in the Virgin Islands. It has been recommended before, and it is recommended here again, that these internal revenue taxes be returned to the government of the Virgin Islands.

